

## ECONOMIC OUTLOOK— How is our Economic Environment

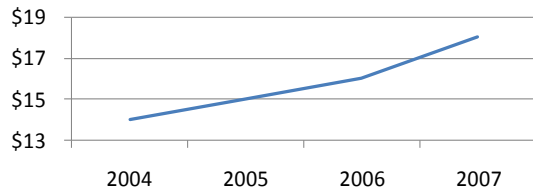
**Property Values.** An indicator of a strong economy is the trend in property values and tax collections. The estimated actual value of taxable property continued the long growth trend.

Property values increased from (1) annexation; (2) new construction; and (3) revitalized areas. Property tax collections followed the same trend increasing an average of 6.5% annually over the past 10 years.

The local housing market remained relatively stable, reporting a 2% decline in sales in 2007, a much stronger showing than in the national market.

**Estimated Actual Value of Real Property  
2004-2007**

(Dollars in billions)

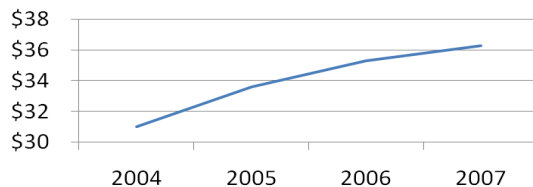


**Employment and Personal Income.** All industry segments in the metropolitan statistical area reported employment gains except for transportation, warehousing and utilities. With employment gains, per capita personal income also reflects a growth trend.

The unemployment rate for the Wichita metropolitan statistical area for the 4th quarter of 2007 was 3.6%, down 0.7% from the 4th quarter of 2006.

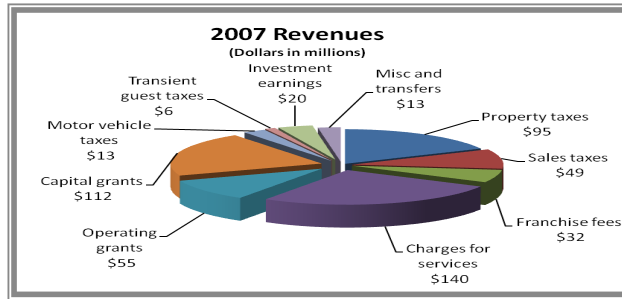
**Per Capita Personal Income  
2004-2007**

(Dollars in thousands)



## RESOURCES RECEIVED— Where the Money Comes From

**Resources received** are monies the City receives from a variety of sources to pay for the services it provides.



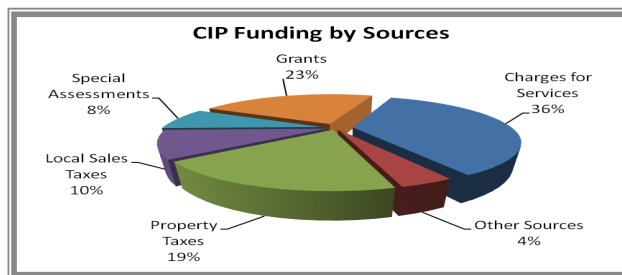
**Combined revenue** from all sources was \$535 million, 2.7% above 2006.

Charges for services, grants, and special assessments provided 57% of the City's total revenue. Taxes and interest earnings provided 43% of total revenue.

The Water Utility delivered 20 billion gallons of water to 144,000 customers for revenue of \$37million.

The Sewer Utility billed revenue of \$32 million to 131,000 customers and treated 13 billion gallons of wastewater that leaves homes and businesses.

Of the water and sewer charges, 60% pays for operations, including treatment and routine maintenance, with 40% paying for capital improvements.



**The Capital Improvements Program (CIP)** are funded from multiple sources.

Local sales tax with federal and state grants pay for improvements to major streets and the Kellogg freeway.

Special assessments pay for neighborhood improvements to streets, water and sewer mains.

Property taxes pay for most improvements to parks, city buildings, new equipment and technology.

Utility and airport improvements are paid from their own revenues.

## SERVICES RENDERED— Where the Money Goes

**Services rendered** are the funds spent to provide services to citizens.

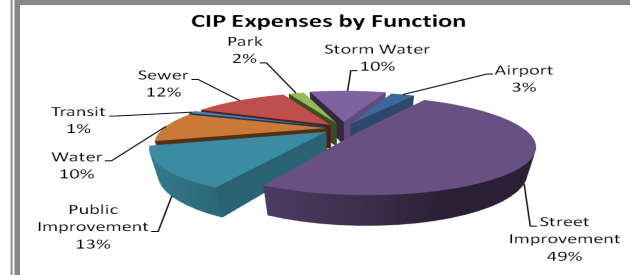


**Total expenses** were \$457 million, 2.5% less than in 2006.

As a full-service city, the City provides police protection, fire services, parks, libraries, transit services, sidewalks, public works services, and a variety of other essential services expected and deserved by its residents and visitors.

Expenses include 1,296 police and fire employees, maintenance of 1,830 miles of streets, 553 signaled intersections, 5,281 acres of parks, 78 playgrounds, 76 tennis courts, 13 fishing ponds, 11 swimming pools and 9 libraries.

Expenses also include maintenance on 53 buses and para-transit vans, 2,280 miles of water mains, 1,986 miles of sewer lines, and 420 miles of storm sewers.



**Capital project** expenses included \$11 million for sewer lines in new areas funded with special assessments, \$3.4 million for major streets, \$3.6 million for the Kellogg freeway, \$1.6 million for the central rail corridor and \$2.8 million for City bridges.

Other capital expenses included fire stations, fire equipment, park land, continuing infrastructure for the Water-Walk, improvements to the Art Museum, replacement of aging roofs, and initial costs for a new animal shelter.

## FINANCIAL OUTLOOK — How is our financial position

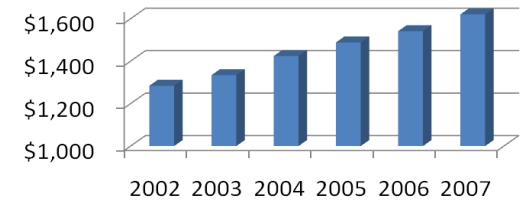
**Net assets** serve as a useful indicator of a government's financial position.

The City met all its financial obligations as they came due in 2007, while maintaining a reserve for unexpected emergencies. As expenses grow and more services are requested, the reserve is diminishing relative to the needs.

Governmental activities in FY 2007 increased the City's net assets by \$79 million.

The Water, Sewer and Storm Water Utility assets increased \$32.3 million, primarily resulting from system expansions.

**Total Primary Government Net Assets**  
(Dollars in millions)

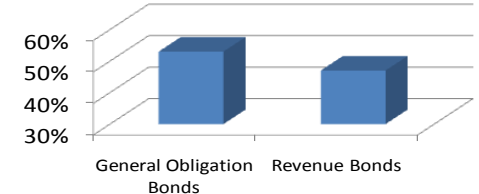


**The City's net assets** are growing steadily as the geographic boundaries expand and streets, water lines, sewer lines, parks and buildings are rehabilitated to extend their life.

Assets are financed with available cash or long term debt. Using debt shifts the cost from current citizens to citizens who will be using the assets in the future. The debt is scheduled to be paid before the asset life is complete.

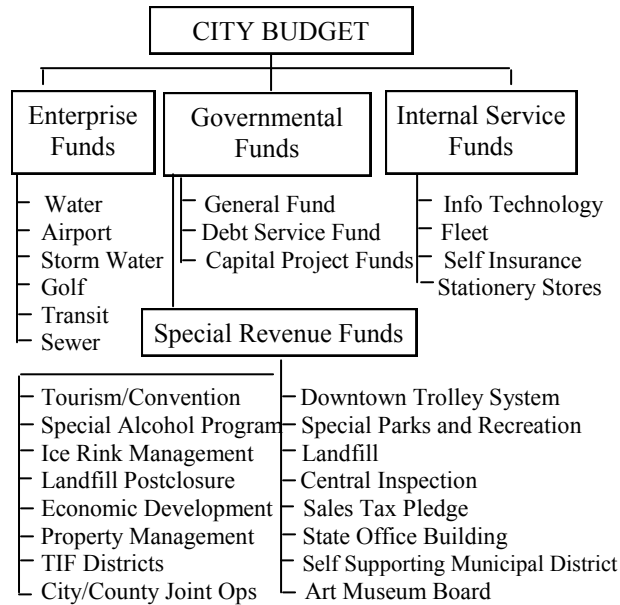
General obligation bonds are repaid from general revenues of the City including taxes. Revenue bonds are repaid from revenues of the utilities and the airport.

**Debt Structure**



## FUND STRUCTURE

The City does not have one budget but one for each discrete, legally separate fund. Only two funds, the General Fund and Debt Service Fund, include the property tax as a direct revenue source supporting fund expenditures.



**The General Fund** is the major operating and taxing fund of the City of Wichita. On a budgetary basis, the General Fund reported \$25,916 in revenue and other resources above expenditures and other uses.

General Fund expenses, excluding transfers, totaled \$178.4 million, \$9.0 million or 5.3%, above 2006. The growth of revenue in recent years has supported increased spending in all services. In 2007, General Fund expenditures were:

- \$102.5 million for public safety
  - \$25.8 million for culture and recreation
  - \$22.9 million for general government activities
  - \$22.4 million for highways and streets
  - \$6.1 million for sanitation, health and welfare
- Expenditures for these activities are from local resources and do not include related activities funded with grants.

## What was accomplished in 2007?

- Transit installed 16 shelters and 97 benches along established bus routes in the City.
- The Water Center completed an aquarium exhibit with funding from Forrest C. Lattner Foundation.
- Remodeling the first floor of City Hall included new Customer Express Service offices and a more user friendly board room to better serve the public.
- The Cowskin Creek Flood Control Project received \$1,639,000 from the Army Corp of Engineers.
- The Keeper of the Plains and Arkansas River Corridor renovations were completed in 2007.
- The City staff assisted in search, rescue, security, damage assessment and clean up for the Greensburg tornado recovery.

## Wichita Recognized in National Awards

- Preserve America Award – City of Wichita has been designated as one of 20 newly designated Preserve America Communities
- The Kansas Society of Professional Engineers has selected the Water Utilities Phase I Equus Beds Aquifer Storage and Recovery Project as the winner of a Special Recognition Award.
- 19th consecutive Distinguished Budget Award.
- 34th consecutive Certificate of Achievement for Excellence in Financial Reporting.
- 8th consecutive Certificate of Achievement for Excellence in Financial Reporting for Pension CAFR.

Carl Brewer, Mayor

Sue Schlapp, Vice Mayor (II)

Lavonta Williams, Council Member (I)

Jim Skelton, Council Member (III)

Paul Gray, Council Member (IV)

Jeff Longwell, Council Member (V)

Sharon Fearey, Council Member (VI)

Ed Flentje, Interim City Manager

This publication highlights significant financial and economic activities for the City of Wichita Kansas for the year ended December 31, 2007. The information is derived from the Comprehensive Annual Financial Report (CAFR), is based on generally accepted accounting principles, and is not inclusive of all funds or the City's component unit, the Wichita Public Building Commission, unless stated otherwise.

The financial statements have been audited by Allen, Gibbs, and Houlik, an independent firm of Certified Public Accountants.

The auditors' report concluded that the financial statements fairly reflect the financial condition of the City in all material respects.

A full copy of the CAFR is published on the City's internet site at <http://www.wichitagov.org/CityOffices/Finance/controllers/DocumentsForms.htm> or can be obtained by calling 316-268-4651.



### QUESTIONS MAY BE DIRECTED

**TO**

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Wichita, Kansas 67202  
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Email: [kcarpenter@wichita.gov](mailto:kcarpenter@wichita.gov)

# 2007 Popular Annual Financial Report



CITY OF  
WICHITA

MANAGING for RESULTS